

A G E N D A



Recommendation for Council Action (Purchasing)

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| Austin City Council | Item ID: | 9718 | Agenda Number | 43. |
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| Meeting Date: | October 6, 2011 |
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| Department: | Purchasing |
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Subject

Authorize award and execution of a 12-month requirements supply contract with JAE GROUP, INC., Austin, TX for the purchase of substation surface rock for Austin Energy in an estimated amount not to exceed \$190,976, with four 12-month extension options in an estimated amount not to exceed \$190,976 per extension option, for a total estimated contract amount not to exceed \$954,880.

Amount and Source of Funding

Funding in the amount of \$190,976 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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| Purchasing Language: | Gage Loots, Buyer II/512-322-6118 |
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| Prior Council Action: | Recommended by the Electric Utility Commission. |
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| For More Information: | Lowest bid of four bids received. |
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| Boards and Commission Action: | |
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| MBE / WBE: | This contract will be awarded in compliance with Chapter 2-D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation. |
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| Related Items: | |
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Additional Backup Information

This contract is for the purchase of surface rock for Austin Energy (AE) substations as needed. Surface rock is crushed stone material used to cover the ground at substations. It provides a layer of insulation between the grounding system below and personnel working above. This layer reduces the amount of electric current that can flow between a person and the ground below, increasing safety for employees and contractors working in and around substations. The materials may be picked up at the contractor's facility or delivered, at AE's direction.

MBE/WBE solicited: 2/0

MBE/WBE bid: 0/0

BID TABULATION

IFB No. GAL0019

Substation Surface Rock

(3 – line items)

Vendor

Total Bid Amount ☐ 12 months

JAE Group, Inc.
Austin, TX

\$190,976

Austin Crushed Stone
Austin, TX

\$206,692

Superior Crushed Stone, LC
Austin, TX

\$214,050

Community Trucking LLC
Cedar Creek, TX

\$232,182

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-one notices were sent, including two MBEs. There are no known WBEs for this commodity code. Four bids were received, with no response from the MBEs.
- c. The pricing offered represents an 8.7% decrease from the last contract award made in July 2006.

APPROVAL JUSTIFICATION

- a. Lowest bid received. JAE Group, Inc. is not the current provider of these goods; however, JAE Group, Inc. is a subsidiary of the current provider, JAE Construction, Inc.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.